

RNS Number : 5054D
Renold PLC
10 September 2024

10 September 2024

Renold plc

("Renold", the "Company" or the "Group")

AGM Trading Update

Renold, a leading international supplier of industrial chains and related power transmission products, is pleased to provide a trading update covering the five months ended 31 August 2024 (the "Period") ahead of the Company's annual general meeting ("AGM") being held at 11.00 a.m. today.

The Board is pleased to report that the Group's financial performance in the first five months of the new financial year was in line with its expectations. Group revenue for the Period was £102.3m (FY24: £104.7m), a 0.9% reduction at constant exchange rates, and a year-on-year decrease of 2.3% at reported rates due to the impact of adverse foreign exchange movements.

Order intake for the Period was £105.5m (FY24: £92.6m), an increase of 14.0%, or an increase of 15.5% at constant exchange rates. Excluding the impact of the large military contract for the Canadian Navy announced on 1 May 2024, underlying order intake increased by 2.6%, an increase of 4.0% at constant exchange rates. The order book as at 31 August 2024 of £85.5m (FY24: £85.4m) remains close to a record high level.

The Group has also separately announced today the acquisition of the trade and net assets of MAC Chain Company Ltd (U.S.) and the entire issued share capital of MAC Chain Company Limited (Canada) (together, "MAC Chain"). The acquisition of MAC Chain is another excellent example of the Group's ability to identify and acquire complementary bolt-on acquisitions to expand and improve its presence and product offering in targeted geographies and strengthen its competitive position in key end markets, at attractive multiples. This builds on the recent acquisitions of Davidson Chain in Australia and Industrias YUK in Spain, broadening the Group's high-quality conveyor chain product offering. The Group continues to review a growing pipeline of acquisition opportunities which when integrated to the existing Renold business, will generate compelling returns for shareholders.

Net debt as at 31 August 2024 was £24.5m (representing 0.6x EBITDA¹), with leverage consistent with the prior year (31 August 2023: £25.7m; 0.6x EBITDA). Net debt at 30 September 2024 is expected to be in the region of £23.0m, prior to the impact of the MAC Chain acquisition. Post acquisition Net debt is expected to be no greater than 1.2x EBITDA.

Global markets continue to be uncertain, with activity levels in both mainland Europe and China recovering more slowly than initially anticipated. However, material and labour inflation is now reducing and the Group retains a strong order book which remains high by historical standards.

Good trading performance in the Period, coupled with the strong order book underpins management's confidence in the outturn for the year. Trading and profitability for the first half is in line with the Board's expectations, whilst the full year will now also include six months contribution from the MAC Chain acquisition.

¹ Calculated as net debt as at 31 July 2024 divided by underlying EBITDA for the preceding 12 months as extracted from the Group's management accounts

ENQUIRIES:

Renold plc

Robert Purcell, Chief Executive
Jim Haughey, Group Finance Director

0161 498 4500

IFC Advisory Limited

Tim Metcalfe
Graham Herring

020 3934 6630

Nominated Adviser and Joint Broker

Peel Hunt LLP

Mike Bell
Ed Allsopp

020 7418 8900

Joint Broker

Cavendish Capital Markets Limited

Ed Frisby (Corporate Finance)
Andrew Burdis / Harriet Ward (ECM)

020 7220 0500

NOTES FOR EDITORS

Renold is a global leader in the manufacture of industrial chains and also manufactures a range of torque transmission products which are sold throughout the world to a broad range of original equipment manufacturers and distributors. The Company has a well-deserved reputation for quality that is recognised worldwide. Its products are used in a wide variety of industries including manufacturing, transportation, energy, steel and mining.

Further information about Renold can be found on the website at: www.renold.com

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTEAENNEENLEAA